

the courts were interpreting Title VII correctly. Obviously, Congress now needs to act again to ensure that the law adequately protects workers against pay discrimination.

The Congressional Budget Office has made clear that this bill will not create costs for the Equal Employment Opportunity Commission or the Federal courts. It simply restores the status quo as Congress intended and as it existed on May 28, 2007, before the Ledbetter decision was made.

It is unacceptable that some workers are unable to file a lawsuit against ongoing discrimination. Yet that is what happened to Lilly Ledbetter. I hope that all of us, on both sides of the aisle, can join in correcting this obvious wrong.

In recent years, the Supreme Court also has undermined other bipartisan civil rights laws in ways Congress never intended. It has limited the Age Discrimination in Employment Act, made it harder to protect children who are harassed in school, and eliminated peoples' right to challenge practices with a discriminatory impact on their access to public services. The Court has also made it more difficult for workers with disabilities to prove that they're entitled to the protection of the law.

Congress needs to correct these problems as well. The Fair Pay Restoration Act makes sure that what happened to Lilly Ledbetter will not happen to any others. As Justice Ginsburg wrote in her powerful dissent, the Court's decision is "totally at odds with the robust protection against employment discrimination Congress intended." I urge my colleagues, Republicans and Democrats alike, to restore the law as it was before the decision, so that victims of ongoing pay discrimination have a reasonable time to file their claims.

COLLEGE COST REDUCTION ACT OF 2007

On Thursday, July 19, 2007, the Senate passed H.R. 2669.

The bill, as amended, is as follows:

H.R. 2669

Resolved, That the bill from the House of Representatives (H.R. 2669) entitled "An Act to provide for reconciliation pursuant to section 601 of the concurrent resolution on the budget for fiscal year 2008," do pass with the following amendment:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE; REFERENCES.

(a) **SHORT TITLE.**—This Act may be cited as the "Higher Education Access Act of 2007".

(b) **REFERENCES.**—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.).

TITLE I—GRANTS TO STUDENTS IN ATTENDANCE AT INSTITUTIONS OF HIGHER EDUCATION

SEC. 101. TUITION SENSITIVITY.

(a) **AMENDMENT.**—Section 401(b) (20 U.S.C. 1070a(b)) is amended by striking paragraph (3).

(b) **AUTHORIZATION AND APPROPRIATION OF FUNDS.**—There is authorized to be appropriated, and there is appropriated, out of any money in the Treasury not otherwise appropriated, for the Department of Education to carry out the amendment made by subsection (a), \$5,000,000 for fiscal year 2008.

SEC. 102. PROMISE GRANTS.

(a) **AMENDMENT.**—Subpart 1 of part A of title IV (20 U.S.C. 1070a et seq.) is amended by adding at the end the following:

"SEC. 401B. PROMISE GRANTS.

"(a) **GRANTS.**—

"(1) **IN GENERAL.**—From amounts appropriated under subsection (e) for a fiscal year and subject to subsection (b), the Secretary shall award grants to students in the same manner as the Secretary awards Federal Pell Grants to students under section 401, except that—

"(A) at the beginning of each award year, the Secretary shall establish a maximum and minimum award level based on amounts made available under subsection (e);

"(B) the Secretary shall only award grants under this section to students eligible for a Federal Pell Grant for the award year; and

"(C) when determining eligibility for the awards under this section, the Secretary shall consider only those students who submitted a Free Application for Federal Student Aid or other common reporting form under section 483 as of July 1 of the award year for which the determination is made.

"(2) **STUDENTS WITH THE GREATEST NEED.**—The Secretary shall ensure grants are awarded under this section to students with the greatest need as determined in accordance with section 471.

"(b) **COST OF ATTENDANCE LIMITATION.**—A grant awarded under this section for an award year shall be awarded in an amount that does not exceed—

"(1) the student's cost of attendance for the award year; less

"(2) an amount equal to the sum of—

"(A) the expected family contribution for the student for the award year; and

"(B) any Federal Pell Grant award received by the student for the award year.

"(c) **SUPPLEMENT NOT SUPPLANT.**—Grants awarded from funds made available under subsection (e) shall be used to supplement, and not supplant, other Federal, State, or institutional grant funds.

"(d) **USE OF EXCESS FUNDS.**—

"(1) **FIFTEEN PERCENT OR LESS.**—If, at the end of a fiscal year, the funds available for making grant payments under this section exceed the amount necessary to make the grant payments required under this section to eligible students by 15 percent or less, then all of the excess funds shall remain available for making grant payments under this section during the next succeeding fiscal year.

"(2) **MORE THAN FIFTEEN PERCENT.**—If, at the end of a fiscal year, the funds available for making grant payments under this section exceed the amount necessary to make the grant payments required under this section to eligible students by more than 15 percent, then all of such funds shall remain available for making such grant payments but grant payments may be made under this paragraph only with respect to awards for that fiscal year.

"(e) **AUTHORIZATION AND APPROPRIATION OF FUNDS.**—

"(1) **IN GENERAL.**—There are authorized to be appropriated, and there are appropriated, out of any money in the Treasury not otherwise appropriated, for the Department of Education to carry out this section—

"(A) \$2,620,000,000 for fiscal year 2008;

"(B) \$3,040,000,000 for fiscal year 2009;

"(C) \$3,460,000,000 for fiscal year 2010;

"(D) \$3,900,000,000 for fiscal year 2011;

"(E) \$4,020,000,000 for fiscal year 2012;

"(F) \$10,000,000 for fiscal year 2013;

"(G) \$3,650,000,000 for fiscal year 2014;

"(H) \$3,850,000,000 for fiscal year 2015;

"(I) \$4,175,000,000 for fiscal year 2016; and

"(J) \$4,180,000,000 for fiscal year 2017.

"(2) **AVAILABILITY OF FUNDS.**—Funds appropriated under paragraph (1) for a fiscal year shall remain available through the last day of the fiscal year immediately succeeding the fiscal year for which the funds are appropriated."

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall take effect on July 1, 2008.

TITLE II—STUDENT LOAN BENEFITS, TERMS, AND CONDITIONS

SEC. 201. DEFERMENTS.

(a) **FISL.**—Section 427(a)(2)(C)(iii) (20 U.S.C. 1077(a)(2)(C)(iii)) is amended by striking "3 years" and inserting "6 years".

(b) **INTEREST SUBSIDIES.**—Section 428(b)(1)(M)(iv) (20 U.S.C. 1078(b)(1)(M)(iv)) is amended by striking "3 years" and inserting "6 years".

(c) **DIRECT LOANS.**—Section 455(f)(2)(D) (20 U.S.C. 1087e(f)(2)(D)) is amended by striking "3 years" and inserting "6 years".

(d) **PERKINS.**—Section 464(c)(2)(A)(iv) (20 U.S.C. 1087dd(c)(2)(A)(iv)) is amended by striking "3 years" and inserting "6 years".

(e) **EFFECTIVE DATE AND APPLICABILITY.**—The amendments made by this section shall take effect on July 1, 2008, and shall only apply with respect to the loans made to a borrower of a loan under title IV of the Higher Education Act of 1965 who obtained the borrower's first loan under such title prior to October 1, 2012.

SEC. 202. STUDENT LOAN DEFERMENT FOR CERTAIN MEMBERS OF THE ARMED FORCES.

(a) **FEDERAL FAMILY EDUCATION LOANS.**—Section 428(b)(1)(M)(iii) (20 U.S.C. 1078(b)(1)(M)(iii)) is amended—

(1) in the matter preceding subclause (I), by striking "not in excess of 3 years";

(2) in subclause (II), by striking "or" and inserting a comma; and

(3) by adding at the end the following:

"and for the 180-day period following the demobilization date for the service described in subclause (I) or (II); or".

(b) **DIRECT LOANS.**—Section 455(f)(2)(C) (20 U.S.C. 1087e(f)(2)(C)) is amended—

(1) in the matter preceding clause (i), by striking "not in excess of 3 years";

(2) in clause (ii), by striking "or" and inserting a comma; and

(3) by adding at the end the following:

"and for the 180-day period following the demobilization date for the service described in clause (i) or (ii); or".

(c) **PERKINS LOANS.**—Section 464(c)(2)(A)(iii) (20 U.S.C. 1087dd(c)(2)(A)(iii)) is amended—

(1) in the matter preceding subclause (I), by striking "not in excess of 3 years";

(2) in subclause (II), by striking the semicolon and inserting a comma; and

(3) by adding at the end the following:

"and for the 180-day period following the demobilization date for the service described in subclause (I) or (II); or".

(d) **APPLICABILITY.**—Section 8007(f) of the Higher Education Reconciliation Act of 2005 (20 U.S.C. 1078 note) is amended by striking "loans for which" and all that follows through the period at the end and inserting "all loans under title IV of the Higher Education Act of 1965."

(e) **EFFECTIVE DATE.**—The amendments made by this section shall take effect on July 1, 2008.

SEC. 203. INCOME-BASED REPAYMENT PLANS.

(a) **FFEL.**—Section 428 (as amended by sections 201(b) and 202(a)) (20 U.S.C. 1078) is further amended—

(1) in subsection (b)—

(A) in paragraph (1)—

(i) in subparagraph (D), by striking "income contingent" and inserting "income-based"; and

(ii) in subparagraph (E)(i), by striking "income-sensitive" and inserting "income-based"; and

(B) by striking clause (iii) of paragraph (9)(A) and inserting the following:

“(iii) an income-based repayment plan, with parallel terms, conditions, and benefits as the income-based repayment plan described in subsections (e) and (d)(1)(D) of section 455, except that—

“(I) the plan described in this clause shall not be available to a borrower of an excepted PLUS loan (as defined in section 455(e)(10)) or of a loan made under 428C that includes an excepted PLUS loan;

“(II) in lieu of the process of obtaining Federal income tax returns and information from the Internal Revenue Service, as described in section 455(e)(1), the borrower shall provide the lender with a copy of the Federal income tax return and return information for the borrower (and, if applicable, the borrower's spouse) for the purposes described in section 455(e)(1), and the lender shall determine the repayment obligation on the loan, in accordance with the procedures developed by the Secretary;

“(III) in lieu of the requirements of section 455(e)(3), in the case of a borrower who chooses to repay a loan made, insured, or guaranteed under this part pursuant to income-based repayment and for whom the adjusted gross income is unavailable or does not reasonably reflect the borrower's current income, the borrower shall provide the lender with other documentation of income that the Secretary has determined is satisfactory for similar borrowers of loans made under part D;

“(IV) the Secretary shall pay any interest due and not paid for under the repayment schedule described in section 455(e)(4) for a loan made, insured, or guaranteed under this part in the same manner as the Secretary pays any such interest under section 455(e)(6) for a Federal Direct Stafford Loan;

“(V) the Secretary shall assume the obligation to repay an outstanding balance of principal and interest due on all loans made, insured, or guaranteed under this part (other than an excepted PLUS Loan or a loan under section 428C that includes an excepted PLUS loan), for a borrower who satisfies the requirements of subparagraphs (A) and (B) of section 455(e)(7), in the same manner as the Secretary cancels such outstanding balance under section 455(e)(7); and

“(VI) in lieu of the notification requirements under section 455(e)(8), the lender shall notify a borrower of a loan made, insured, or guaranteed under this part who chooses to repay such loan pursuant to income-based repayment of the terms and conditions of such plan, in accordance with the procedures established by the Secretary, including notification that—

“(aa) the borrower shall be responsible for providing the lender with the information necessary for documentation of the borrower's income, including income information for the borrower's spouse (as applicable); and

“(bb) if the borrower considers that special circumstances warrant an adjustment, as described in section 455(e)(8)(B), the borrower may contact the lender, and the lender shall determine whether such adjustment is appropriate, in accordance with the criteria established by the Secretary; and”;

(2) in subsection (e)—

(A) in the subsection heading, by striking “INCOME-SENSITIVE” and inserting “INCOME-BASED”;

(B) in paragraph (1)—

(i) by striking “income-sensitive repayment” and inserting “income-based repayment”; and

(ii) by inserting “and for the public service loan forgiveness program under section 455(m), in accordance with section 428C(b)(5)” before the semicolon; and

(C) in paragraphs (2) and (3), by striking “income-sensitive” each place the term occurs and inserting “income-based”; and

(3) in subsection (m)—

(A) in the subsection heading, by striking “INCOME-CONTINGENT” and inserting “INCOME-BASED”;

(B) in paragraph (1), by striking “income contingent repayment plan” and all that follows through the period at the end and inserting “income-based repayment plan as described in subsection (b)(9)(A)(iii) and section 455(d)(1)(D).”;

and

(C) in the paragraph heading of paragraph (2), by striking “INCOME-CONTINGENT” and inserting “INCOME-BASED”.

(b) CONSOLIDATION LOANS.—Section 428C (20 U.S.C. 1078–3) is amended—

(1) in subsection (a)(3)(B)(i)(V), by striking “for the purposes of obtaining an income contingent repayment plan,” and inserting “for the purpose of using the public service loan forgiveness program under section 455(m).”;

(2) in subsection (b)(5)—

(A) in the first sentence, by striking “, or is unable to obtain a consolidation loan with income-sensitive repayment terms acceptable to the borrower from such a lender,” and inserting “, or chooses to obtain a consolidation loan for the purposes of using the public service loan forgiveness program offered under section 455(m).”;

(B) in the second sentence, by striking “income contingent repayment under part D of this title” and inserting “income-based repayment”; and

(3) in subsection (c)—

(A) in paragraph (2)(A)—

(i) in the first sentence, by striking “of graduated or income-sensitive repayment schedules, established by the lender in accordance with the regulations of the Secretary,” and inserting “of graduated repayment schedules, established by the lender in accordance with the regulations of the Secretary, and income-based repayment schedules, established pursuant to regulations by the Secretary.”; and

(ii) in the second sentence, by striking “Except as required” and all that follows through “subsection (b)(5),” and inserting “Except as required by such income-based repayment schedules.”; and

(B) in paragraph (3)(B), by striking “income contingent repayment offered by the Secretary under subsection (b)(5)” and inserting “income-based repayment”.

(c) DIRECT LOANS.—Section 455 (as amended by sections 201(c) and 202(b)) (20 U.S.C. 1087e) is further amended—

(1) in subsection (d)—

(A) in paragraph (1)(D)—

(i) by striking “income contingent repayment plan” and inserting “income-based repayment plan”; and

(ii) by striking “a Federal Direct PLUS loan” and inserting “an excepted PLUS loan or any Federal Direct Consolidation Loan that includes an excepted PLUS loan (as defined in subsection (e)(10))”; and

(B) in paragraph (5)(B), by striking “income contingent” and inserting “income-based”; and

(2) in subsection (e)—

(A) in the subsection heading, by striking “INCOME-CONTINGENT” and inserting “INCOME-BASED”;

(B) in paragraphs (1), (2), and (3), by striking “income contingent” each place the term appears and inserting “income-based”; and

(C) in paragraph (4)—

(i) by striking “Income contingent” and inserting “Income-based”; and

(ii) by striking “Secretary.” and inserting “Secretary, except that the monthly required payment under such schedule shall not exceed 15 percent of the result obtained by calculating the amount by which—

“(A) the borrower's adjusted gross income; exceeds

“(B) 150 percent of the poverty line applicable to the borrower's family size, as determined under section 673(2) of the Community Service Block Grant Act, divided by 12.”;

(D) in paragraph (5), by striking “income contingent” and inserting “income-based”;

(E) by redesignating paragraph (6) as paragraph (8);

(F) by inserting after paragraph (5) the following:

“(6) TREATMENT OF INTEREST.—In the case of a Federal Direct Stafford Loan, any interest due and not paid for under paragraph (2) shall be paid by the Secretary.

“(7) LOAN FORGIVENESS.—The Secretary shall cancel the obligation to repay an outstanding balance of principal and interest due on all loans made under this part, or assume the obligation to repay an outstanding balance of principal and interest due on all loans made, insured, or guaranteed under part B, (other than an excepted PLUS Loan, or any Federal Direct Consolidation Loan or loan under section 428C that includes an excepted PLUS loan) to a borrower who—

“(A) makes the election under this subsection or under section 428(b)(9)(A)(iii); and

“(B) for a period of time prescribed by the Secretary not to exceed 25 years (including any period during which the borrower is in deferment due to an economic hardship described in section 435(o)), meets 1 of the following requirements with respect to each payment made during such period:

“(i) Has made the payment under this subsection or section 428(b)(9)(A)(iii).

“(ii) Has made the payment under a standard repayment plan under section 428(b)(9)(A)(i) or 455(d)(1)(A).

“(iii) Has made a payment that counted toward the maximum repayment period under income-sensitive repayment under section 428(b)(9)(A)(iii) or income contingent repayment under section 455(d)(1)(D), as each such section was in effect on June 30, 2008.

“(iv) Has made a reduced payment of not less than the amount required under subsection (e), pursuant to a forbearance agreement under section 428(c)(3)(A)(i) for a borrower described in 428(c)(3)(A)(i)(II).”;

(G) in the matter preceding subparagraph (A) of paragraph (8) (as redesignated by subparagraph (E)), by striking “income contingent” and inserting “income-based”; and

(H) by adding at the end the following:

“(9) RETURN TO STANDARD REPAYMENT.—A borrower who is repaying a loan made under this part pursuant to income-based repayment may choose, at any time, to terminate repayment pursuant to income-based repayment and repay such loan under the standard repayment plan.

“(10) DEFINITION OF EXCEPTED PLUS LOAN.—In this subsection, the term ‘excepted PLUS loan’ means a Federal Direct PLUS loan or a loan under section 428B that is made, insured, or guaranteed on behalf of a dependent student.”.

(d) CONFORMING AMENDMENTS AND TECHNICAL CORRECTIONS.—The Act (20 U.S.C. 1001 et seq.) is further amended—

(1) in section 427(a)(2)(H) (20 U.S.C. 1077(a)(2)(H))—

(A) by striking “or income-sensitive”; and

(B) by inserting “or income-based repayment schedule established pursuant to regulations by the Secretary” before the semicolon at the end; and

(2) in section 455(d)(1)(C) (20 U.S.C. 1087e(d)(1)(C)), by striking “428(b)(9)(A)(v)” and inserting “428(b)(9)(A)(iv).”.

(e) TRANSITION PROVISION.—A student who, as of June 30, 2008, elects to repay a loan under part B or part D of the Higher Education Act of 1965 (20 U.S.C. 1071 et seq., 1087a et seq.) through an income-sensitive repayment plan under section 428(b)(9)(A)(iii) of such Act (20 U.S.C. 1078(b)(9)(A)(iii)) or an income contingent repayment plan under section 455(d)(1)(D) of such Act (20 U.S.C. 1087e(d)(1)(D)) (as each such section was in effect on the day before the date of enactment of this Act) shall have the option to continue repayment under such section (as such section was in effect on such day), or

may elect, beginning on July 1, 2008, to use the income-based repayment plan under section 428(b)(9)(A)(iii) or 455(d)(1)(D) (as applicable) of the Higher Education Act of 1965, as amended by this section.

(f) **EFFECTIVE DATE AND APPLICABILITY.**—The amendments made by this section shall take effect on July 1, 2008, and shall only apply with respect to a borrower of a loan under title IV of the Higher Education Act of 1965 who obtained the borrower's first loan under such title prior to October 1, 2012.

TITLE III—FEDERAL FAMILY EDUCATION LOAN PROGRAM

SEC. 301. REDUCTION OF LENDER INSURANCE PERCENTAGE.

(a) **AMENDMENT.**—Section 428(b)(1)(G) (20 U.S.C. 1078(b)(1)(G)) is amended—

(i) in the matter preceding clause (i), by striking “insures 98 percent” and inserting “insures 97 percent”;

(2) in clause (i), by inserting “and” after the semicolon;

(3) by striking clause (ii); and

(4) by redesignating clause (iii) as clause (ii).

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall take effect with respect to loans made on or after October 1, 2007.

SEC. 302. GUARANTY AGENCY COLLECTION RETENTION.

Clause (ii) of section 428(c)(6)(A) (20 U.S.C. 1078(c)(6)(A)(ii)) is amended to read as follows: “(ii) an amount equal to 24 percent of such payments for use in accordance with section 422B, except that—

“(I) beginning October 1, 2003 and ending September 30, 2007, this subparagraph shall be applied by substituting ‘23 percent’ for ‘24 percent’; and

“(II) beginning October 1, 2007, this subparagraph shall be applied by substituting ‘16 percent’ for ‘24 percent’.”.

SEC. 303. ELIMINATION OF EXCEPTIONAL PERFORMER STATUS FOR LENDERS.

(a) **ELIMINATION OF STATUS.**—Part B of title IV (20 U.S.C. 1071 et seq.) is amended by striking section 428I (20 U.S.C. 1078–9).

(b) **CONFORMING AMENDMENTS.**—Part B of title IV is further amended—

(1) in section 428(c)(1) (20 U.S.C. 1078(c)(1))—

(A) by striking subparagraph (D); and

(B) by redesignating subparagraphs (E) through (H) as subparagraphs (D) through (G), respectively; and

(2) in section 438(b)(5) (20 U.S.C. 1087–1(b)(5)), by striking the matter following subparagraph (B).

(c) **EFFECTIVE DATE.**—The amendments made by subsections (a) and (b) shall take effect on October 1, 2007, except that section 428I of the Higher Education Act of 1965 (as in effect on the day before the date of enactment of this Act) shall apply to eligible lenders that received a designation under subsection (a) of such section prior to October 1, 2007, for the remainder of the year for which the designation was made.

SEC. 304. DEFINITIONS.

(a) **AMENDMENTS.**—Section 435 (20 U.S.C. 1085) is amended—

(1) in subsection (o)(1)—

(A) in subparagraph (A)(ii), by striking “100 percent of the poverty line for a family of 2” and inserting “150 percent of the poverty line applicable to the borrower's family size”; and

(B) in subparagraph (B)(ii), by striking “to a family of two” and inserting “to the borrower's family size”; and

(2) by adding at the end the following:

“(p) **ELIGIBLE NOT-FOR-PROFIT HOLDER.**—

“(1) **DEFINITION OF ELIGIBLE NOT-FOR-PROFIT HOLDER.**—The term ‘eligible not-for-profit holder’ means an eligible lender under subsection (d) (except for an eligible lender described in subsection (d)(1)(E)) that requests a special allowance payment under section 438(b)(2)(I)(vi)(II) and that is—

“(A) a State of the United States, or a political subdivision thereof, or an authority, agen-

cy, or other instrumentality thereof (including such entities that are eligible to issue bonds described in section 1.103–1 of title 26, Code of Federal Regulations, or section 144(b) of the Internal Revenue Code of 1986);

“(B) an entity described in section 150(d)(2) of such Code that has not made the election described in section 150(d)(3) of such Code;

“(C) an entity described in section 501(c)(3) of such Code; or

“(D) a trustee acting as an eligible lender on behalf of an entity described in subparagraph (A), (B), or (C),

except that no entity described in subparagraph (A), (B), or (C) shall be owned or controlled in whole or in part by a for-profit entity.

(2) **PROHIBITION.**—In the case of a loan for which the special allowance payment is calculated under section 438(b)(2)(I)(vi)(II) and that is sold by the eligible not-for-profit holder holding the loan to a for-profit entity or to an entity that is not an eligible not-for-profit holder, the special allowance payment for such loan shall, beginning on the date of the sale, no longer be calculated under section 438(b)(2)(I)(vi)(II) and shall be calculated under section 438(b)(2)(I)(vi)(I) instead.

(3) **REGULATIONS.**—Not later than 1 year after the date of enactment of the Higher Education Access Act of 2007, the Secretary shall promulgate regulations in accordance with the provisions of this subsection.”.

(b) **APPLICABILITY.**—The amendment made by subsection (a)(1) shall only apply with respect to any borrower of a loan under title IV of the Higher Education Act of 1965 who obtained the borrower's first loan under such title prior to October 1, 2012.

SEC. 305. SPECIAL ALLOWANCES.

(a) **REDUCTION OF LENDER SPECIAL ALLOWANCE PAYMENTS.**—Section 438(b)(2)(I) (20 U.S.C. 1087–1(b)(2)(I)) is amended—

(1) in clause (i), by striking “(iii), and (iv)” and inserting “(iii), (iv), and (vi)”; and

(2) by adding at the end the following:

“(vi) **REDUCTION FOR LOANS DISBURSED ON OR AFTER OCTOBER 1, 2007.**—With respect to a loan on which the applicable interest rate is determined under section 427A(l) and for which the first disbursement of principal is made on or after October 1, 2007, the special allowance payment computed pursuant to this subparagraph shall be computed—

“(I) for loans held by an eligible lender not described in subclause (II)—

“(aa) by substituting ‘1.24 percent’ for ‘1.74 percent’ in clause (ii);

“(bb) by substituting ‘1.84 percent’ for ‘2.34 percent’ each place the term appears in this subparagraph;

“(cc) by substituting ‘1.84 percent’ for ‘2.64 percent’ in clause (iii); and

“(dd) by substituting ‘2.14 percent’ for ‘2.64 percent’ in clause (iv); and

“(II) for loans held by an eligible not-for-profit holder—

“(aa) by substituting ‘1.99 percent’ for ‘2.34 percent’ each place the term appears in this subparagraph;

“(bb) by substituting ‘1.39 percent’ for ‘1.74 percent’ in clause (ii);

“(cc) by substituting ‘1.99 percent’ for ‘2.64 percent’ in clause (iii); and

“(dd) by substituting ‘2.29 percent’ for ‘2.64 percent’ in clause (iv).”.

(b) **INCREASED LOAN FEES FROM LENDERS.**—Paragraph (2) of section 438(d) (20 U.S.C. 1087–1(d)(2)) is amended to read as follows:

“(2) **AMOUNT OF LOAN FEES.**—The amount of the loan fee which shall be deducted under paragraph (1), but which may not be collected from the borrower, shall be equal to 1.0 percent of the principal amount of the loan with respect to any loan under this part for which the first disbursement was made on or after October 1, 2007.”.

TITLE IV—WILLIAM D. FORD FEDERAL DIRECT LOAN PROGRAM

SEC. 401. LOAN FORGIVENESS FOR PUBLIC SERVICE EMPLOYEES.

Section 455 (as amended by sections 201(c), 202(b), and 203(c)) (20 U.S.C. 1087e) is further amended by adding at the end the following:

“(m) **REPAYMENT PLAN FOR PUBLIC SERVICE EMPLOYEES.**—

“(1) **IN GENERAL.**—The Secretary shall cancel the balance of interest and principal due, in accordance with paragraph (2), on any eligible Federal Direct Loan not in default for an eligible borrower who—

“(A) has made 120 monthly payments on the Federal Direct Loan after October 1, 2007, pursuant to any combination of—

“(i) payments under an income-based repayment plan under section 455(d)(1)(D);

“(ii) payments under a standard repayment plan under section 455(d)(1)(A); or

“(iii) monthly payments under a repayment plan under section 455(d)(1) of not less than the monthly amount calculated under section 455(d)(1)(A); and

“(B)(i) is employed in a public service job at the time of such forgiveness; and

“(ii) has been employed in a public service job during the period in which the borrower makes each of the 120 payments described in subparagraph (A).

“(2) **LOAN CANCELLATION AMOUNT.**—After the conclusion of the employment period described in paragraph (1), the Secretary shall cancel the obligation to repay, for each year during such period described in paragraph (1)(B)(ii) for which the eligible borrower submits documentation to the Secretary that the borrower's annual adjusted gross income or annual earnings were less than or equal to \$65,000, 1/30 of the amount of the balance of principal and interest due as of the time of such cancellation, on the eligible Federal Direct Loans made to the borrower under this part.

“(3) **DEFINITIONS.**—In this subsection:

“(A) **ELIGIBLE BORROWER.**—The term ‘eligible borrower’ means a borrower who submits documentation to the Secretary that the borrower's annual adjusted gross income or annual earnings is less than or equal to \$65,000.

“(B) **ELIGIBLE FEDERAL DIRECT LOAN.**—The term ‘eligible Federal Direct Loan’ means a Federal Direct Stafford Loan, Federal Direct PLUS Loan, Federal Direct Unsubsidized Loan, or a Federal Direct Consolidation Loan if such consolidation loan was obtained by the borrower under section 428C(b)(5) or in accordance with section 428C(a)(3)(B)(i)(V).

“(C) **PUBLIC SERVICE JOB.**—In this paragraph, the term ‘public service job’ means—

“(i) a full-time job in public emergency management, government, public safety, public law enforcement, public health, public education, public early childhood education, public child care, social work in a public child or family service agency, public services for individuals with disabilities, public services for the elderly, public interest legal services (including prosecution or public defense), public library sciences, public school library sciences, or other public school-based services; or

“(ii) teaching as a full-time faculty member at a Tribal College or University as defined in section 316(b).”.

SEC. 402. UNIT COST CALCULATION FOR GUARANTY AGENCY ACCOUNT MAINTENANCE FEES.

Section 458(b) (20 U.S.C. 1087h(b)) is amended—

(1) by striking “Account” and inserting the following:

“(1) **FOR FISCAL YEARS 2006 AND 2007.**—For each of the fiscal years 2006 and 2007, account”; and

(2) by adding at the end the following:

“(2) **FOR FISCAL YEAR 2008 AND SUCCEEDING FISCAL YEARS.**—

“(A) **IN GENERAL.**—For fiscal year 2008 and each succeeding fiscal year, the Secretary shall

calculate the account maintenance fees payable to guaranty agencies under subsection (a)(3), on a per-loan cost basis in accordance with subparagraph (B).

“(B) AMOUNT DETERMINATION.—To determine the amount that shall be paid under subsection (a)(3) per outstanding loan guaranteed by a guaranty agency for fiscal year 2008 and succeeding fiscal years, the Secretary shall—

“(i) establish the per-loan cost basis amount by dividing the total amount of account maintenance fees paid under subsection (a)(3) for fiscal year 2006 by the number of loans under part B that were outstanding for that fiscal year; and

“(ii) for subsequent fiscal years, adjust the amount determined under clause (i) as the Secretary determines necessary to account for inflation.”.

TITLE V—FEDERAL PERKINS LOANS

SEC. 501. DISTRIBUTION OF LATE COLLECTIONS.

Section 466(b) (20 U.S.C. 1087ff(b)) is amended by striking “March 31, 2012” and inserting “September 30, 2012”.

TITLE VI—NEED ANALYSIS

SEC. 601. SUPPORT FOR WORKING STUDENTS.

(a) DEPENDENT STUDENTS.—Subparagraph (D) of section 475(g)(2) (20 U.S.C. 1087oo(g)(2)(D)) is amended to read as follows:

“(D) an income protection allowance of the following amount (or a successor amount prescribed by the Secretary under section 478):

“(i) for academic year 2009–2010, \$3,750;

“(ii) for academic year 2010–2011, \$4,500;

“(iii) for academic year 2011–2012, \$5,250; and

“(iv) for academic year 2012–2013, \$6,000;”.

(b) INDEPENDENT STUDENTS WITHOUT DEPENDENTS OTHER THAN A SPOUSE.—Clause (iv) of section 476(b)(1)(A) (20 U.S.C. 1087pp(b)(1)(A)(iv)) is amended to read as follows:

“(iv) an income protection allowance of the following amount (or a successor amount prescribed by the Secretary under section 478):

“(I) for single or separated students, or married students where both are enrolled pursuant to subsection (a)(2)—

“(aa) for academic year 2009–2010, \$7,000;

“(bb) for academic year 2010–2011, \$7,780;

“(cc) for academic year 2011–2012, \$8,550; and

“(dd) for academic year 2012–2013, \$9,330; and

“(II) for married students where 1 is enrolled pursuant to subsection (a)(2)—

“(aa) for academic year 2009–2010, \$11,220;

“(bb) for academic year 2010–2011, \$12,460;

“(cc) for academic year 2011–2012, \$13,710; and

“(dd) for academic year 2012–2013, \$14,960;”.

(c) INDEPENDENT STUDENTS WITH DEPENDENTS OTHER THAN A SPOUSE.—Paragraph (4) of section 477(b) (20 U.S.C. 1087qq(b)(4)) is amended to read as follows:

“(4) INCOME PROTECTION ALLOWANCE.—The income protection allowance is determined by the tables described in subparagraphs (A) through (D) (or a successor table prescribed by the Secretary under section 478).

“(A) ACADEMIC YEAR 2009–2010.—For academic year 2009–2010, the income protection allowance is determined by the following table:

Family Size	Number in College				
	1	2	3	4	5
2	\$17,720	\$14,690			
3	22,060	19,050	\$16,020		
4	27,250	24,220	21,210	\$18,170	
5	32,150	29,120	26,100	23,070	\$20,060
6	37,600	34,570	31,570	28,520	25,520

NOTE: For each additional family member, add \$4,240.
For each additional college student, subtract \$3,020.

“(B) ACADEMIC YEAR 2010–2011.—For academic year 2010–2011, the income protection allowance is determined by the following table:

Family Size	Number in College				
	1	2	3	4	5
2	\$19,690	\$16,330			
3	24,510	21,160	\$17,800		
4	30,280	26,910	23,560	\$20,190	
5	35,730	32,350	29,000	25,640	\$22,290
6	41,780	38,410	35,080	31,690	28,350

NOTE: For each additional family member, add \$4,710.
For each additional college student, subtract \$3,350.

“(C) ACADEMIC YEAR 2011–2012.—For academic year 2011–2012, the income protection allowance is determined by the following table:

Family Size	Number in College				
	1	2	3	4	5
2	\$21,660	\$17,960			
3	26,960	23,280	\$19,580		
4	33,300	29,600	25,920	\$22,210	
5	39,300	35,590	31,900	28,200	\$24,520
6	45,950	42,250	38,580	34,860	31,190

NOTE: For each additional family member, add \$5,180.
For each additional college student, subtract \$3,690.

“(D) ACADEMIC YEAR 2012–2013.—For academic year 2012–2013, the income protection allowance is determined by the following table:

Family Size	Number in College				
	1	2	3	4	5
2	\$23,630	\$19,590			
3	29,420	25,400	\$21,360		
4	36,330	32,300	28,280	\$24,230	
5	42,870	38,820	34,800	30,770	\$26,750
6	50,130	46,100	42,090	38,030	34,020

NOTE: For each additional family member, add \$5,660.
For each additional college student, subtract \$4,020.”.

(d) UPDATED TABLES AND AMOUNTS.—Section 478(b) (20 U.S.C. 1087rr(b)) is amended—

(1) by striking paragraph (1) and inserting the following:

“(1) REVISED TABLES.—

“(A) IN GENERAL.—For each academic year after academic year 2008–2009, the Secretary shall publish in the Federal Register a revised

table of income protection allowances for the purpose of such sections, subject to subparagraphs (B) and (C).

“(B) TABLE FOR INDEPENDENT STUDENTS.—

“(i) ACADEMIC YEARS 2009–2010 THROUGH 2012–2013.—For each of the academic years 2009–2010 through 2012–2013, the Secretary shall not develop a revised table of income protection allowances under section 477(b)(4) and the table specified for such academic year under subparagraphs (A) through (D) of such section shall apply.

“(ii) OTHER ACADEMIC YEARS.—For each academic year after academic year 2012–2013, the Secretary shall develop the revised table of income protection allowances by increasing each of the dollar amounts contained in the table of income protection allowances under section 477(b)(4)(D) by a percentage equal to the estimated percentage increase in the Consumer Price Index (as determined by the Secretary) between December 2011 and the December next preceding the beginning of such academic year, and rounding the result to the nearest \$10.

“(C) TABLE FOR PARENTS.—For each academic year after academic year 2008–2009, the Secretary shall develop the revised table of income protection allowances under section 475(c)(4) by increasing each of the dollar amounts contained in the table by a percentage equal to the estimated percentage increase in the Consumer Price Index (as determined by the Secretary) between December 1992 and the December next preceding the beginning of such academic year, and rounding the result to the nearest \$10.”; and

(2) in paragraph (2), by striking “shall be developed” and all that follows through the period at the end and inserting “shall be developed for each academic year after academic year 2012–2013, by increasing each of the dollar amounts contained in such section for academic year 2012–2013 by a percentage equal to the estimated percentage increase in the Consumer Price Index (as determined by the Secretary) between December 2011 and the December next preceding the beginning of such academic year, and rounding the result to the nearest \$10.”.

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on July 1, 2009.

SEC. 602. AUTOMATIC ZERO IMPROVEMENTS.

(a) IN GENERAL.—Section 479(c) (20 U.S.C. 1087ss(c)) is amended—

(1) in paragraph (1)(B), by striking “20,000” and inserting “\$30,000”; and

(2) in paragraph (2)(B), by striking “\$20,000” and inserting “\$30,000”.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on July 1, 2009.

SEC. 603. DISCRETION OF STUDENT FINANCIAL AID ADMINISTRATORS.

The third sentence of section 479A(a) (20 U.S.C. 1087tt(a)) is amended—

(1) by inserting “or an independent student” after “family member”; and

(2) by inserting “a change in housing status that results in homelessness (as defined in section 103 of the McKinney-Vento Homeless Assistance Act),” after “under section 487.”.

SEC. 604. DEFINITIONS.

(a) IN GENERAL.—Section 480 (20 U.S.C. 1087vv) is amended—

(1) in subsection (a)(2)—

(A) by striking “and no portion” and inserting “no portion”; and

(B) by inserting “and no distribution from any qualified education benefit described in subsection (f)(3) that is not subject to Federal income tax,” after “1986.”;

(2) in subsection (d)—

(A) by redesignating paragraphs (1), (2), (3) through (6), and (7) as subparagraphs (A), (B), (D) through (G), and (I), respectively, and indenting appropriately;

(B) by striking “INDEPENDENT STUDENT.—The term” and inserting “INDEPENDENT STUDENT.—

“(1) DEFINITION.—The term”;

(C) by striking subparagraph (B) (as redesignated by subparagraph (A)) and inserting the following:

“(B) is an orphan, in foster care, or a ward of the court, or was in foster care when the individual was 13 years of age or older or a ward of the court until the individual reached the age of 18;

“(C) is an emancipated minor or is in legal guardianship as determined by a court of competent jurisdiction in the individual’s State of legal residence.”;

(D) in subparagraph (G) (as redesignated by subparagraph (A)), by striking “or” after the semicolon;

(E) by inserting after subparagraph (G) (as redesignated by subparagraph (A)) the following:

“(H) has been verified as an unaccompanied youth who is a homeless child or youth (as such terms are defined in section 725 of the McKinney-Vento Homeless Assistance Act) during the school year in which the application is submitted, by—

“(i) a local educational agency homeless liaison, designated pursuant to section 722(g)(1)(J)(ii) of the McKinney-Vento Homeless Assistance Act;

“(ii) the director of a program funded under the Runaway and Homeless Youth Act or a designee of the director; or

“(iii) the director of a program funded under subtitle B of title IV of the McKinney-Vento Homeless Assistance Act (relating to emergency shelter grants) or a designee of the director; or”;

and

(F) by adding at the end the following:

“(2) SIMPLIFYING THE DEPENDENCY OVERRIDE PROCESS.—A financial aid administrator may make a determination of independence under paragraph (1)(I) based upon a documented determination of independence that was previously made by another financial aid administrator under such paragraph in the same award year.”;

(3) in subsection (e)—

(A) in paragraph (3), by striking “and” after the semicolon;

(B) in paragraph (4), by striking the period at the end and inserting “; and”;

(C) by adding at the end the following:

“(5) special combat pay.”;

(4) in subsection (f), by striking paragraph (3) and inserting the following:

“(3) A qualified education benefit shall be considered an asset of—

“(A) the student if the student is an independent student; or

“(B) the parent if the student is a dependent student, regardless of whether the owner of the account is the student or the parent.”;

(5) in subsection (j)—

(A) in paragraph (2), by inserting “, or a distribution that is not includable in gross income under section 529 of such Code, under another prepaid tuition plan offered by a State, or under a Coverdell education savings account under section 530 of such Code,” after “1986”; and

(B) by adding at the end the following:

“(4) Notwithstanding paragraph (1), special combat pay shall not be treated as estimated financial assistance for purposes of section 471(3).”; and

(6) by adding at the end the following:

“(n) SPECIAL COMBAT PAY.—The term ‘special combat pay’ means pay received by a member of the Armed Forces because of exposure to a hazardous situation.”.

SEC. 605. AUTHORIZATION AND APPROPRIATIONS.

There are authorized to be appropriated, and there are appropriated, out of any money in the Treasury not otherwise appropriated, \$10,000,000 for fiscal year 2008 for the Department of Education to pay the estimated increase in costs in the Federal Pell Grant program under section 401 of the Higher Education Act of 1965 (20 U.S.C. 1070a) resulting from the amendments made by sections 603 and 604 for award year 2007–2008.

TITLE VII—MISCELLANEOUS

SEC. 701. COMPETITIVE LOAN AUCTION PILOT PROGRAM.

Title IV (20 U.S.C. 1070 et seq.) is further amended by adding at the end the following:

“PART I—COMPETITIVE LOAN AUCTION PILOT PROGRAM; STATE GRANT PROGRAM

“SEC. 499. COMPETITIVE LOAN AUCTION PILOT PROGRAM.

“(a) DEFINITIONS.—In this section:

“(1) ELIGIBLE FEDERAL PLUS LOAN.—The term ‘eligible Federal PLUS Loan’ means a loan described in section 428B made to a parent of a dependent student.

“(2) ELIGIBLE LENDER.—The term ‘eligible lender’ has the meaning given the term in section 435.

“(b) PILOT PROGRAM.—The Secretary shall carry out a pilot program under which the Secretary establishes a mechanism for an auction of eligible Federal PLUS Loans in accordance with this subsection. The pilot program shall meet the following requirements:

“(1) PLANNING AND IMPLEMENTATION.—During the period beginning on the date of enactment of this section and ending on June 30, 2009, the Secretary shall plan and implement the pilot program under this subsection.

“(2) ORIGATION AND DISBURSEMENT; APPLICABILITY OF SECTION 428B.—Beginning on July 1, 2009, the Secretary shall arrange for the origination and disbursement of all eligible Federal PLUS Loans in accordance with the provisions of this subsection and the provisions of section 428B that are not inconsistent with this subsection.

“(3) LOAN ORIGATION MECHANISM.—The Secretary shall establish a loan origination auction mechanism that meets the following requirements:

“(A) AUCTION.—The Secretary administers an auction under this paragraph for each State under which eligible lenders compete to originate eligible Federal PLUS Loans under this paragraph at all institutions of higher education within the State.

“(B) PREQUALIFICATION PROCESS.—The Secretary establishes a prequalification process for eligible lenders desiring to participate in an auction under this paragraph that contains, at a minimum—

“(i) a set of borrower benefits and servicing requirements each eligible lender shall meet in order to participate in such an auction; and

“(ii) an assessment of each such eligible lender’s capacity, including capital capacity, to participate effectively.

“(C) TIMING AND ORIGATION.—Each State auction takes place every 2 years, and the eligible lenders with the winning bids for the State are the only eligible lenders permitted to originate eligible Federal PLUS Loans made under this paragraph for the cohort of students at the institutions of higher education within the State until the students graduate from or leave the institutions of higher education.

“(D) BIDS.—Each eligible lender’s bid consists of the amount of the special allowance payment (including the recapture of excess interest) the eligible lender proposes to accept from the Secretary with respect to the eligible Federal PLUS Loans made under this paragraph in lieu of the amount determined under section 438(b)(2)(I).

“(E) MAXIMUM BID.—The maximum bid allowable under this paragraph shall not exceed the amount of the special allowance payable on eligible Federal PLUS Loans made under this paragraph computed under section 438(b)(2)(I) (other than clauses (ii), (iii), (iv), and (vi) of such section), except that for purposes of the computation under this subparagraph, section 438(b)(2)(I)(i)(III) shall be applied by substituting ‘1.74 percent’ for ‘2.34 percent’.

“(F) WINNING BIDS.—The winning bids for each State auction shall be the 2 bids containing the lowest and the second lowest proposed special allowance payments, subject to subparagraph (E).

“(G) AGREEMENT WITH SECRETARY.—Each eligible lender having a winning bid under subparagraph (F) enters into an agreement with the Secretary under which the eligible lender—

“(i) agrees to originate eligible Federal PLUS Loans under this paragraph to each borrower who—

“(I) seeks an eligible Federal PLUS Loan under this paragraph to enable a dependent student to attend an institution of higher education within the State;

“(II) is eligible for an eligible Federal PLUS Loan; and

“(III) elects to borrow from the eligible lender; and

“(ii) agrees to accept a special allowance payment (including the recapture of excess interest) from the Secretary with respect to the eligible Federal PLUS Loans originated under clause (i) in the amount proposed in the second lowest winning bid described in subparagraph (F) for the applicable State auction.

“(H) SEALED BIDS; CONFIDENTIALITY.—All bids are sealed and the Secretary keeps the bids confidential, including following the announcement of the winning bids.

“(I) ELIGIBLE LENDER OF LAST RESORT.—

“(i) IN GENERAL.—In the event that there is no winning bid under subparagraph (F), the students at the institutions of higher education within the State that was the subject of the auction shall be served by an eligible lender of last resort, as determined by the Secretary.

“(ii) DETERMINATION OF ELIGIBLE LENDER OF LAST RESORT.—Prior to the start of any auction under this paragraph, eligible lenders that desire to serve as an eligible lender of last resort shall submit an application to the Secretary at such time and in such manner as the Secretary may determine. Such application shall include an assurance that the eligible lender will meet the prequalification requirements described in subparagraph (B).

“(iii) GEOGRAPHIC LOCATION.—The Secretary shall identify an eligible lender of last resort for each State.

“(iv) NOTIFICATION TIMING.—The Secretary shall not identify any eligible lender of last resort until after the announcement of all the winning bids for a State auction for any year.

“(J) GUARANTEE AGAINST LOSSES.—The Secretary guarantees the eligible Federal PLUS Loans made under this paragraph against losses resulting from the default of a parent borrower in an amount equal to 99 percent of the unpaid principal and interest due on the loan.

“(K) LOAN FEES.—The Secretary shall not collect a loan fee under section 438(d) with respect to an eligible Federal Plus Loan originated under this paragraph.

“(L) CONSOLIDATION.—

“(i) IN GENERAL.—An eligible lender who is permitted to originate eligible Federal PLUS Loans for a borrower under this paragraph shall have the option to consolidate such loans into 1 loan.

“(ii) NOTIFICATION.—In the event a borrower with eligible Federal PLUS Loans made under this paragraph wishes to consolidate the loans, the borrower shall notify the eligible lender who originated the loans under this paragraph.

“(iii) LIMITATION ON ELIGIBLE LENDER OPTION TO CONSOLIDATE.—The option described in clause (i) shall not apply if—

“(I) the borrower includes in the notification in clause (ii) verification of consolidation terms and conditions offered by an eligible lender other than the eligible lender described in clause (i); and

“(II) not later than 10 days after receiving such notification from the borrower, the eligible lender described in clause (i) does not agree to match such terms and conditions, or provide more favorable terms and conditions to such borrower than the offered terms and conditions described in subclause (I).

“(iv) CONSOLIDATION OF ADDITIONAL LOANS.—If a borrower has a Federal Direct PLUS Loan

or a loan made on behalf of a dependent student under section 428B and seeks to consolidate such loan with an eligible Federal PLUS Loan made under this paragraph, then the eligible lender that originated the borrower's loan under this paragraph may include in the consolidation under this subparagraph a Federal Direct PLUS Loan or a loan made on behalf of a dependent student under section 428B, but only if—

“(I) in the case of a Federal Direct PLUS Loan, the eligible lender agrees, not later than 10 days after the borrower requests such consolidation from the lender, to match the consolidation terms and conditions that would otherwise be available to the borrower if the borrower consolidated such loans in the loan program under part D; or

“(II) in the case of a loan made on behalf of a dependent student under section 428B, the eligible lender agrees, not later than 10 days after the borrower requests such consolidation from the lender, to match the consolidation terms and conditions offered by an eligible lender other than the eligible lender that originated the borrower's loans under this paragraph.

“(v) SPECIAL ALLOWANCE ON CONSOLIDATION LOANS THAT INCLUDE LOANS MADE UNDER THIS PARAGRAPH.—The applicable special allowance payment for loans consolidated under this paragraph shall be equal to the lesser of—

“(I) the weighted average of the special allowance payment on such loans, except that such weighted average shall exclude the special allowance payment for any Federal Direct PLUS Loan included in the consolidation; or

“(II) the result of—

“(aa) the average of the bond equivalent rates of the quotes of the 3-month commercial paper (financial) rates in effect for each of the days in such quarter as reported by the Federal Reserve in Publication H-15 (or its successor) for such 3-month period; plus

“(bb) 1.59 percent.

“(vi) INTEREST PAYMENT REBATE FEE.—Any loan under section 428C consolidated under this paragraph shall not be subject to the interest payment rebate fee under section 428C(f).

“(c) COLLEGE ACCESS PARTNERSHIP GRANT PROGRAM.—

“(1) PURPOSE.—It is the purpose of this subsection to make payments to States to assist the States in carrying out the activities and services described in paragraph (7) in order to increase access to higher education for students in the State.

“(2) AUTHORIZATION AND APPROPRIATIONS.—There are authorized to be appropriated, and there are appropriated, \$113,000,000 for each of the fiscal years 2008 and 2009 to carry out this subsection.

“(3) PROGRAM AUTHORIZED.—

“(A) GRANTS AUTHORIZED.—From amounts appropriated under paragraph (2), the Secretary shall award grants, from allotments under paragraph (4), to States having applications approved under paragraph (5), to enable the State to pay the Federal share of the costs of carrying out the activities and services described in paragraph (7).

“(B) FEDERAL SHARE; NON-FEDERAL SHARE.—

“(i) FEDERAL SHARE.—The amount of the Federal share under this subsection for a fiscal year shall be equal to $\frac{2}{3}$ of the costs of the activities and services described in paragraph (7).

“(ii) NON-FEDERAL SHARE.—The amount of the non-Federal share under this subsection shall be equal to $\frac{1}{3}$ of the costs of the activities and services described in paragraph (7). The non-Federal share may be in cash or in-kind, and may be provided from a combination of State resources and contributions from private organizations in the State.

“(C) REDUCTION FOR FAILURE TO PAY NON-FEDERAL SHARE.—If a State fails to provide the full non-Federal share required under this paragraph, the Secretary shall reduce the amount of the grant payment under this subsection proportionately.

“(D) TEMPORARY INELIGIBILITY FOR SUBSEQUENT PAYMENTS.—

“(i) IN GENERAL.—The Secretary shall determine a State to be temporarily ineligible to receive a grant payment under this subsection for a fiscal year if—

“(I) the State fails to submit an annual report pursuant to paragraph (9) for the preceding fiscal year; or

“(II) the Secretary determines, based on information in such annual report, that the State is not effectively meeting the conditions described under paragraph (8) and the goals of the application under paragraph (5).

“(ii) REINSTATEMENT.—If the Secretary determines a State is ineligible under clause (i), the Secretary may enter into an agreement with the State setting forth the terms and conditions under which the State may regain eligibility to receive payments under this subsection.

“(4) DETERMINATION OF ALLOTMENT.—

“(A) AMOUNT OF ALLOTMENT.—Subject to subparagraph (B), in making grant payments to States under this subsection, the allotment to each State for a fiscal year shall be equal to the sum of—

“(i) the amount that bears the same relation to 50 percent of the amount appropriated under paragraph (2) for such fiscal year as the number of residents in the State aged 5 through 17 who are living below the poverty line applicable to the resident's family size (as determined under section 673(2) of the Community Service Block Grant Act) bears to the total number of such residents in all States; and

“(ii) the amount that bears the same relation to 50 percent of the amount appropriated under paragraph (2) for such fiscal year as the number of residents in the State aged 15 through 44 who are living below the poverty line applicable to the individual's family size (as determined under section 673(2) of the Community Service Block Grant Act) bears to the total number of such residents in all States.

“(B) MINIMUM AMOUNT.—No State shall receive an allotment under this subsection for a fiscal year in an amount that is less than $\frac{1}{2}$ of 1 percent of the total amount appropriated under paragraph (2) for such fiscal year.

“(5) SUBMISSION AND CONTENTS OF APPLICATION.—

“(A) IN GENERAL.—For each fiscal year for which a State desires a grant payment under paragraph (3), the State agency with jurisdiction over higher education, or another agency designated by the Governor of the State to administer the program under this subsection, shall submit an application to the Secretary at such time, in such manner, and containing the information described in subparagraph (B).

“(B) APPLICATION.—An application submitted under subparagraph (A) shall include the following:

“(i) A description of the State's capacity to administer the grant under this subsection and report annually to the Secretary on the activities and services described in paragraph (7).

“(ii) A description of the State's plan for using the grant funds to meet the requirements of paragraphs (7) and (8), including plans for how the State will make special efforts to provide such benefits to students in the State that are underrepresented in postsecondary education.

“(iii) A description of how the State will provide or coordinate the non-Federal share from State and private funds, if applicable.

“(iv) A description of the existing structure that the State has in place to administer the activities and services under paragraph (7) or the plan to develop such administrative capacity.

“(6) PAYMENT TO ELIGIBLE NONPROFIT ORGANIZATIONS.—A State receiving a payment under this subsection may elect to make a payment to 1 or more eligible nonprofit organizations, including an eligible not-for-profit holder (as defined in section 438(p)), or a partnership of such organizations, in the State in order to carry out

activities or services described in paragraph (7), if the eligible nonprofit organization or partnership—

“(A) was in existence on the day before the date of enactment of the Higher Education Access Act of 2007; and

“(B) as of the day of such payment, is participating in activities and services related to increasing access to higher education, such as those activities and services described in paragraph (7).

“(7) ALLOWABLE USES.—

“(A) IN GENERAL.—Subject to subparagraph (C), a State may use a grant payment under this subsection only for the following activities and services, pursuant to the conditions under paragraph (8):

“(i) Information for students and families regarding—

“(I) the benefits of a postsecondary education;

“(II) postsecondary education opportunities;

“(III) planning for postsecondary education; and

“(IV) career preparation.

“(ii) Information on financing options for postsecondary education and activities that promote financial literacy and debt management among students and families.

“(iii) Outreach activities for students who may be at risk of not enrolling in or completing postsecondary education.

“(iv) Assistance in completion of the Free Application for Federal Student Aid or other common financial reporting form under section 483(a).

“(v) Need-based grant aid for students.

“(vi) Professional development for guidance counselors at middle schools and secondary schools, and financial aid administrators and college admissions counselors at institutions of higher education, to improve such individuals' capacity to assist students and parents with—

“(I) understanding—

“(aa) entrance requirements for admission to institutions of higher education; and

“(bb) State eligibility requirements for Academic Competitiveness Grants or National SMART Grants under section 401A, and other financial assistance that is dependent upon a student's coursework;

“(II) applying to institutions of higher education;

“(III) applying for Federal student financial assistance and other State, local, and private student financial assistance and scholarships;

“(IV) activities that increase students' ability to successfully complete the coursework required for a postsecondary degree, including activities such as tutoring or mentoring; and

“(V) activities to improve secondary school students' preparedness for postsecondary entrance examinations.

“(vii) Student loan cancellation or repayment (as applicable), or interest rate reductions, for borrowers who are employed in a high-need geographical area or a high-need profession in the State, as determined by the State.

“(B) PROHIBITED USES.—Funds made available under this subsection shall not be used to promote any lender's loans.

“(C) USE OF FUNDS FOR ADMINISTRATIVE PURPOSES.—A State may use not more than 2 percent of the total amount of the Federal share and non-Federal share provided under this subsection for administrative purposes relating to the grant under this subsection.

“(8) SPECIAL CONDITIONS.—

“(A) AVAILABILITY TO STUDENTS AND FAMILIES.—A State receiving a grant payment under this subsection shall—

“(i) make the activities and services described in clauses (i) through (vi) of paragraph (7)(A) that are funded under the payment available to all qualifying students and families in the State;

“(ii) allow students and families to participate in the activities and services without regard to—

“(I) the postsecondary institution in which the student enrolls;

“(II) the type of student loan the student receives;

“(III) the servicer of such loan; or

“(IV) the student's academic performance;

“(iii) not charge any student or parent a fee or additional charge to participate in the activities or services; and

“(iv) in the case of an activity providing grant aid, not require a student to meet any condition other than eligibility for Federal financial assistance under this title, except as provided for in the loan cancellation or repayment or interest rate reductions described in paragraph (7)(A)(vii).

“(B) PRIORITY.—A State receiving a grant payment under this subsection shall, in carrying out any activity or service described in paragraph (7)(A) with the grant funds, prioritize students and families who are living below the poverty line applicable to the individual's family size (as determined under section 673(2) of the Community Service Block Grant Act).

“(C) DISCLOSURES.—

“(i) ORGANIZATIONAL DISCLOSURES.—In the case of a State that has chosen to make a payment to an eligible not-for-profit holder in the State in accordance with paragraph (6), the holder shall clearly and prominently indicate the name of the holder and the nature of its work in connection with any of the activities carried out, or any information or services provided, with such funds.

“(ii) INFORMATIONAL DISCLOSURES.—Any information about financing options for higher education provided through an activity or service funded under this subsection shall—

“(I) include information to students and the students' parents of the availability of Federal, State, local, institutional, and other grants and loans for postsecondary education; and

“(II) present information on financial assistance for postsecondary education that is not provided under this title in a manner that is clearly distinct from information on student financial assistance under this title.

“(D) COORDINATION.—A State receiving a grant payment under this subsection shall attempt to coordinate the activities carried out with the payment with any existing activities that are similar to such activities, and with any other entities that support the existing activities in the State.

“(9) REPORT.—A State receiving a payment under this subsection shall prepare and submit an annual report to the Secretary on the program under this subsection and on the implementation of the activities and services described in paragraph (7). The report shall include—

“(A) each activity or service that was provided to students and families over the course of the year;

“(B) the cost of providing each activity or service;

“(C) the number, and percentage, if feasible and applicable, of students who received each activity or service; and

“(D) the total contributions from private organizations included in the State's non-Federal share for the fiscal year.

“(10) SUNSET.—The authority provided to carry out this subsection shall expire on September 30, 2009.

“(d) FINANCIAL LITERACY PROGRAM ESTABLISHED.—

“(1) DEFINITION OF ELIGIBLE ENTITY.—In this subsection, the term ‘eligible entity’ means a nonprofit or for-profit organization, or a consortium of such organizations, with a demonstrated record of effectiveness in providing financial literacy services to students at the secondary and postsecondary level.

“(2) PROGRAM ESTABLISHED.—From amounts appropriated under paragraph (6), the Secretary shall award grants to eligible entities to enable the eligible entities to increase the financial literacy of students who are enrolled or will enroll in an institution of higher education, including

providing instruction to students on topics such as the understanding of loan terms and conditions, the calculation of interest rates, refinancing of debt, debt management, and future savings for education, health care and long-term care, and retirement.

“(3) GRANT PERIOD; RENEWABILITY.—Each grant under this subsection shall be awarded for one 5-year period, and may not be renewed.

“(4) MATCHING REQUIREMENTS.—Each eligible entity that receives a grant under this subsection shall provide, from non-Federal sources, an amount (which may be provided in cash or in kind) to carry out the activities supported by the grant equal to 100 percent of the amount received under the grant.

“(5) APPLICATIONS.—An eligible entity desiring a grant under this subsection shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may reasonably require. Such application shall include the following:

“(A) A detailed description of the eligible entity's plans for providing financial literacy activities and the students and schools the grant will target.

“(B) The eligible entity's plan for using the matching grant funds, including how the funds will be used to provide financial literacy programs to students.

“(C) A plan to ensure the viability of the work of the eligible entity beyond the grant period.

“(D) A detailed description of the activities that carry out this subsection and that are conducted by the eligible entity at the time of the application, and how the matching grant funds will assist the eligible entity with expanding and enhancing such activities.

“(E) A description of the strategies that will be used to target activities under the grant to students in secondary school and enrolled in institutions of higher education who are historically underrepresented in institutions of higher education and who may benefit from the activities of the eligible entity.

“(6) AUTHORIZATION AND APPROPRIATIONS.—There are authorized to be appropriated, and there are appropriated, \$10,000,000 for each of the fiscal years 2008 and 2009 to carry out this subsection.

“(e) SECONDARY SCHOOL GRADUATION AND COLLEGE ENROLLMENT PROGRAM.—

“(1) DEFINITIONS.—In this subsection:

“(A) ELIGIBLE LOCAL EDUCATIONAL AGENCY.—

“(i) IN GENERAL.—The term ‘eligible local educational agency’ means a local educational agency with a secondary school graduation rate of 70 percent or less—

“(I) in the aggregate; or

“(II) applicable to 2 or more subgroups of secondary school students served by the local educational agency that are described in clause (ii).

“(ii) SUBGROUPS.—A subgroup referred to in clause (i)(II) is—

“(I) a subgroup of economically disadvantaged students; or

“(II) a subgroup of students from a major racial or ethnic group.

“(B) ELIGIBLE ENTITY.—The term ‘eligible entity’ means a consortium of a nonprofit organization and an institution of higher education with a demonstrated record of effectiveness in raising secondary school graduation rates and postsecondary enrollment rates.

“(2) PROGRAM ESTABLISHED.—From amounts appropriated under paragraph (7), the Secretary shall award grants to eligible entities to enable the eligible entities to carry out activities that—

“(A) create models of excellence for academically rigorous secondary schools, including early college secondary schools;

“(B) increase secondary school graduation rates;

“(C) raise the rate of students who enroll in an institution of higher education;

“(D) improve instruction and access to supports for struggling secondary school students;

“(E) create, implement, and utilize early warning systems to help identify students at risk of dropping out of secondary school; and

“(F) improve communication between parents, students, and schools concerning requirements for secondary school graduation, postsecondary education enrollment, and financial assistance available for attending postsecondary education.”

“(3) USE OF FUNDS.—An eligible entity that receives a grant under this subsection shall use the funds—

“(A) to implement a college-preparatory curriculum for all students in a secondary school served by the eligible local educational agency that is, at a minimum, aligned with a rigorous secondary school program of study;

“(B) to implement accelerated academic catch-up programs, for students who enter secondary school not meeting the proficient levels of student academic achievement on the State academic assessments for mathematics, reading or language arts, or science under section 1111(b)(3) of the Elementary and Secondary Education Act of 1965, that enable such students to meet the proficient levels of achievement and remain on track to graduate from secondary school on time with a regular secondary school diploma;

“(C) to implement an early warning system to quickly identify students at risk of dropping out of secondary school, including systems that track student absenteeism; and

“(D) to implement a comprehensive postsecondary education guidance program that—

“(i) will ensure that all students are regularly notified throughout the students’ time in secondary school of secondary school graduation requirements and postsecondary education entrance requirements; and

“(ii) provides guidance and assistance to students in applying to an institution of higher education and in applying for Federal financial assistance and other State, local, and private financial assistance and scholarships.

“(4) GRANT PERIOD; RENEWABILITY.—Each grant under this subsection shall be awarded for one 5-year period, and may not be renewed.

“(5) MATCHING REQUIREMENTS.—Each eligible entity that receives a grant under this subsection shall provide, from non-Federal sources, an amount (which may be provided in cash or in-kind) to carry out the activities supported by the grant equal to 100 percent of the amount received under the grant.

“(6) APPLICATIONS.—An eligible entity desiring a grant under this subsection shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may reasonably require.

“(7) AUTHORIZATION AND APPROPRIATIONS.—There are authorized to be appropriated, and there are appropriated, \$25,000,000 for each of the fiscal years 2008 and 2009 to carry out this subsection.”

SEC. 702. INNOCENT CHILD PROTECTION.

(a) IN GENERAL.—It shall be unlawful for any authority, military or civil, of the United States, a State, or any district, possession, commonwealth or other territory under the authority of the United States, to carry out a sentence of

death on a woman while she carries a child in utero.

(b) DEFINITION.—In this section, the term “child in utero” means a member of the species *homo sapiens*, at any stage of development, who is carried in the womb.

TITLE VIII—OTHER MATTERS

SEC. 801. SENSE OF SENATE ON THE DETAINEES AT GUANTANAMO BAY, CUBA.

(a) FINDINGS.—The Senate makes the following findings:

(1) During the War on Terror, senior members of al Qaeda have been captured by the United States military and intelligence personnel and their allies.

(2) Many such senior members of al Qaeda have since been transferred to the detention facility at Guantanamo Bay, Cuba.

(3) These senior al Qaeda members detained at Guantanamo Bay include Khalid Sheikh Mohammed, who was the mastermind behind the terrorist attacks of September 11, 2001, which killed approximately 3,000 innocent people.

(4) These senior al Qaeda members detained at Guantanamo Bay also include Majid Khan, who was tasked to develop plans to poison water reservoirs inside the United States, was responsible for conducting a study on the feasibility of a potential gas station bombing campaign inside the United States, and was integral in recommending Iyman Farris, who plotted to destroy the Brooklyn Bridge, to be an operative for al Qaeda inside the United States.

(5) These senior al Qaeda members detained at Guantanamo Bay also include Abd al-Rahim al-Nashiri, who was an al Qaeda operations chief for the Arabian Peninsula and who, at the request of Osama bin Laden, orchestrated the attack on the U.S.S. Cole, which killed 17 United States sailors.

(6) These senior al Qaeda members detained at Guantanamo Bay also include Ahmed Khalfan Ghailani, who played a major role in the East African Embassy Bombings, which killed more than 250 people.

(7) The Department of Defense has estimated that of the approximately 415 detainees who have been released or transferred from the detention facility at Guantanamo Bay, at least 29 have subsequently taken up arms against the United States and its allies.

(8) Osama bin Laden, the leader of al Qaeda, said in his 1998 fatwa against the United States, that “[t]he ruling to kill the Americans and their allies—civilians and military—is an individual duty for every Muslim who can do it in any country in which it is possible to do it”.

(9) In the same fatwa, bin Laden said, “[w]e—with God’s help—call on every Muslim who believes in God and wishes to be rewarded to comply with God’s order to kill the Americans and plunder their money wherever and whenever they find it”.

(10) It is safer for American citizens if captured members of al Qaeda and other terrorist organizations are not housed on American soil where they could more easily carry out their mission to kill innocent civilians.

(b) SENSE OF SENATE.—It is the sense of the Senate that detainees housed at Guantanamo Bay, Cuba, including senior members of al Qaeda, should not be released into American society, nor should they be transferred stateside into facilities in American communities and neighborhoods.

NOTICE: REGISTRATION OF MASS MAILINGS

The filing date for 2007 second quarter Mass Mailings is Wednesday, July 25, 2007. If your office did no mass mailings during this period, please submit a form that states “none.”

Mass mailing registrations, or negative reports, should be submitted to the Senate Office of Public Records, 232 Hart Building, Washington, DC 20510-7116.

The Public Records office will be open from 9 a.m. to 5:30 p.m. on the filing date to accept these filings. For further information, please contact the Public Records office on (202) 224-0322.

ORDERS FOR MONDAY, JULY 23, 2007

Mr. REID. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand adjourned until 10 a.m., Monday, July 23; that on Monday, following the prayer and pledge, the Journal of proceedings be approved to date, the morning hour be deemed expired, and the time for the two leaders reserved for their use later in the day; that the Senate then proceed to the consideration of S. 1642, with the other provisions of the previous order remaining in effect.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ADJOURNMENT UNTIL MONDAY, JULY 23, 2007, AT 10 A.M.

Mr. REID. Mr. President, I believe there is no business now to come before the Senate. That being the case, I ask unanimous consent that the Senate stand adjourned under the previous order.

There being no objection, the Senate, at 12:03 p.m., adjourned until Monday, July 23, 2007, at 10 a.m.